

DYSON

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 0 0 — 0 9	2. STATE: MICHIGAN
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE July 1, 2000	

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

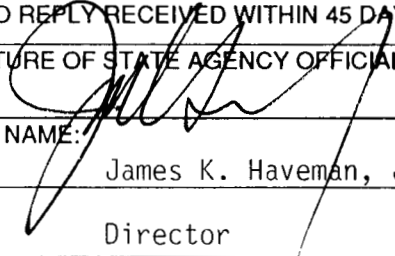
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447	7. FEDERAL BUDGET IMPACT: a. FFY 2000 \$ 164,439 b. FFY 2001 \$ 521,091
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pp 2c and 2 d	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, pp 2c and 2 2d

10. SUBJECT OF AMENDMENT:

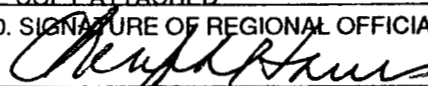
RHC reimbursement methodology

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT ☐ OTHER, AS SPECIFIED:
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Michigan Department of Community Health Office of Federal Liaison 6th Floor Lewis Cass Building 320 South Walnut Street Lansing, Michigan 48913 Attention: N. Bishop
13. TYPED NAME: James K. Haveman, Jr.	
14. TITLE: Director	
15. DATE SUBMITTED: 9-29-00	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 9/29/00	18. DATE APPROVED: 6/6/01
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7-1-00	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Cheryl A. Harris	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health
23. REMARKS:	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

The State provides a Vaccine Replacement Program (VRP). Vaccines are provided free to enrolled Medicaid providers on a replacement basis to immunize Medicaid eligibles. Providers are reimbursed an enhanced administration fee to encourage their participation. Providers may also request the manufacturer's cost of vaccine if they elect not to participate in the VRP. The department establishes the reimbursement rate for purchased vaccine by allowing the lowest most commonly available cost to purchase the product in multiple dose units plus a nominal administration fee.

Outpatient hospital psoriasis treatment centers are reimbursed a rate based on estimated and historical costs of psoriasis treatment centers certified by the Medical Services Administration. Reimbursement will be the lesser of the hospital's charges or the established Medicaid rate for the treatment episode. The rate includes all services that may be provided to the recipient, except physician services. Physician services are reimbursed separately as clinic visits. Out patient hospital psoriasis services rendered to recipients who do not meet the specified admission criteria for the psoriasis treatment centers are reimbursed under the current fee for service system.

4. Home Health Agency Services

Reimbursement to home health agencies is made in accordance with Medicaid's maximum fee screens or the home health agency's usual and customary charge (acquisition cost for medical supply items), whichever amount is less.

RECEIVED

MAY 22 2001

DMCH - MI/MN/VI

TN NO. 00-09

Approval Date _____

Effective Date 7-1-2000

Supersedes

TN No. 99-05

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

5. Rural Health Clinic Services

All Rural Health Clinics (RHCs), including those with less than 50 beds, that sign the optional Quarterly Cash Advance Agreement (Agreement) will receive prospective quarterly payments, a payment limit, and payments for encounters based on a definition of primary care services.

- For provider-based RHCs with less than 50 beds, the reasonable payment limit is the limit agreed to by the RHC and State.
- For both provider-based RHCs with 50 or more beds and non provider-based RHCs, the payment limit is the encounter rate determined by Medicare or the upper payment as defined in Section 1833, Subsection (f) of the Social Security Act.

All Rural Health Clinics not signing the Agreement will receive retrospective quarterly payment upon request, a payment limit allowed by Federal regulations, and payments for encounters based on definition of primary care services.

- For provider-based RHCs with less than 50 beds, the payment rate is 100 percent of reasonable costs.
- For both provider-based RHCs with 50 or more beds and non provider-based RHCs, the payment limit is the encounter rate determined by Medicare or the upper payment as defined in Section 1833, Subsection (f) of the Social Security Act.
- In accordance with Section 603(a) of the Balanced Budget Refinement Act of 1999, entitled, "Modification of the Phase-Out of Payment for Federally Qualified Health Centers and Rural Health Clinic Services based on Reasonable Cost," full cost payments are modified as follows: 95% during fiscal year (FY) 2000, 95% for FY 2001, 95% for FY2002, 90% for FY 2003 and 85% for FY 2004.

All RHCs receive fee-for service payments for Other Ambulatory Services. Centers must supply the Department of Community Health with their Medicaid cost reports which list the medical costs, revenue, and encounters. Cost settlements will be performed at the end of each RHC's fiscal year ending after April, 1990.